DAILY APPEAL.
MEMPHIS.
SATURDAY MORNING, OCTOBER 31, 1857.

THE BANKING SYSTEM.

The following article from the Richmond *Examiner* unravels the whole subject of the present banking system of the United States. The success of the Bank of England, founded as it is upon pure credit, has given rise to an immense brood of small banks in this country which have brought about periodically the oppressive revulsions under which the country has suffered. If banking is to be encouraged, let us return as near as possible to the original model of Amsterdam where issues were based, dollar for dollar, upon a like amount of coin. We shall then find and enjoy the true uses of banks:

THE BANK OF ENGLAND.

From the Richmond Examiner.]

The Bank of England was incorporated in 1694, eighty-five years after that of Amsterdam, and was the first bank of *deposite, discount* and *circulation*. Its capital was £1,200,000, or six millions of dollars, consisting wholly of government stocks, bearing an interest of eight per cent. per annum. Its notes were received in payment of taxes by the government, and the public revenue was deposited in the Bank. It was authorized to circulate exchequer bills and make loans to the government.

As a bank of deposite, it was authorized to receive deposites not only for safe-keeping, to be returned when demanded by the depositor, but to be used and loaned out for the benefit of the institution, care being taken always to be provided with the means of returning an equal amount when demanded. As a bank of discount and circulation, it issued its notes upon the faith of its capital (government) stock and deposites, or discounted bill of exchange and promissory notes responsibly endorsed, charging an interest something greater than was authorized by law to be charged on loans, and thus allowing it, for the use of its credit, a higher rate of compensation than individuals were authorized to receive for the use and hazard of money or capital loaned out. The bank took, in the shape of a promissory note, the credit of an individual so good that another equally responsible endorsed his note for nothing, and gave out its credit in the form of a bank note, the transaction being obviously but a mere exchange of credits. Such were the extraordinary advantages of this institution, of which it had an exclusive monopoly, for the first 100 years after the Bank of England was established, to 1797, when it first suspended, it had increased its capital and its action from £1,200,000 to £11,000,000—from six to forty-five millions of dollars.

It made these profits on an egregious popular delusion. Its notes were universally regarded as representing gold and silver, and as depending on that representation exclusively for their circulation; as much so as did the certificates of deposit in the original Bank of Amsterdam. No one supposed they could retain their credit for a moment after they ceased to be convertible into the metals on demand; nor were they supposed to have the effect of increasing the aggregate volume of the currency, and thereby of increasing prices. They were as completely identified in the popular mind with the metallic currency as if every note in circulation had laid up in the vaults of the bank an equal amount, pound for pound, into which all its paper could be converted the moment it was presented. All this was a delusion. The issues of the Bank of England *never did represent, from the first, the precious metals*. Instead of the *representation*, its notes were in reality the *substitute* for coin. Instead of being the mere drudges, performing all the out-door service, while the coins reposed at their ease in the vaults of the Bank, free from wear and tear, and the hazard of loss or destruction, as did the certificates of deposite in the original Bank of Amsterdam, they substituted, degraded, and banished the coins. Every note circulated became the substitute of so much coin, and dispensed with it in circulation, and thereby depreciated the value of the precious metals, and increased their consumption in the same degree the supply was diminished in the same degree the supply by rendering mining less profitable. The system assumed gold and silver as the basis of its circulation; and yet, by the laws of its nature, just as it increased its circulation, to the same degree undermined the foundation on which it stood weakened, crumbled, vanished. Thus the germ of destruction was implanted in the system at its birth, has expanded with its growth, and must terminate finally in its dissolution. The more immediate immediate in its circulation and metallic is mortal; one or the other must perish in the struggle. Such is the decree of fate—it is irreversible.

MISSISSIPPI INTELLIGENCE.

THE PROSPECTS OF DELTA.—The *Valley Pioneer* gives a gratifying and encouraging account of the prospects of the town of Delta, situated in Coahoma county on the Mississippi river. Several business houses have been recently built there, and others are in contemplation. The *Pioneer* remarks:

We need mechanics, such as blacksmiths, carpenters, shoemakers and others not mentioned. Now is the time for the mechanics to come, and establish a character in the first building up of the town. The shrill whistle of the steamer, moving majestically up or down the great "Father of Waters," as she case may be, may be heard for this point many times throughout every day and night. And in fact, everything seems to be in favor of rushing Delta on to a high, honorable and unexpected destiny.?

GEN. FOOTE AT JACKSON.—The *Mississippian* gives an interesting account of this gentleman at Jackson, and mentions on the authority of a correspondent of the Richmond *South*, that he will probably take the stump in Mississippi to defeat the policy of Gov. WALKER, of Kansas. We hardly think there is any truth in the rumor.

MEETING OF THE LEGISLATURE.—An adjourned session of the Legislature will be commenced at Jackson on Monday next. It is supposed that a U. S. Senator will be elected for the position now held and so ably filled by the Hon. A. G. GROWN. The new term commences on the 4th of March, 1859.

ROBBERY.—The store of Mr. Hinnant, at Sarah, was entered last week, and $250 in gold and a quantity of goods stolen therefrom. Although suspicion rests on an individual seen "loafing" around the place about the time the robbery was committed, no clue has yet been obtained as to the whereabouts of either money or goods.—*Panola Star, Oct. 28.*

A MEDICAL COLLEGE.—A correspondent of the *Grenada Republican* urges the propriety and necessity of establishing a Medical College in Mississippi.

TELEGRAPH OFFICE IN PANOLA.—In the course of a month or six weeks, we are credibly informed, a line of telegraph will be in operation between Memphis and Panola. An agent of the Telegraph Company is now here, making, we presume, the necessary arrangements for fitting up this office.

Come, up with the wires, and let us have a little lightning news, to cheer us during the approaching Christmas holidays, when, we hope, the dull time of panic, fear and doubt will have, to a great extent, evaporated.—*Panola Star.*

ALABAMA INTELLIGENCE.

ALABAMA LEGISLATURE.—The Legislature assembles on Monday week. The Huntsville *Advocate* says:

"It is evident, now, that the members will find that the present money panic, the banks, &c., will occupy much of their attention. What policy will be pursued with reference to the suspended banks and the currency of the State, and the old bank notes, is now hard to tell. Ultra measures will most likely be adopted, not only against our own banks, but against the circulation of the notes of banks in other States. Such measures, however, if in advance of public opinion, will be inoperative and dead enactments. Surrounded as we are by banks in other States, and dependent as our trade is with them, we are to be more affected by their policy than by our own. Our Legislature, therefore, should be prudent and act according to surrounding circumstances."

The same paper remarks:

"The Commercial Bank at Selma, in this State, has suspended its accommodations with the wish of the business men of that place. It has over $200,000 of a note over every liability. A good deal of its notes have been in circulation in this region."

LOW WATER.—The Alabama and Tombigbee rivers are almost too low for navigation, and now but the lightest boats can run. What cotton goes to market is by Railroad.

We learn from the Hayneville *Chronicle* that Col. C. P. McRee, an old and highly esteemed citizen of Lowndes county, died at his residence near Hickory Grove on the 19th inst.

STATE FAIR.—The third Annual Fair of the Alabama State Agricultural Society will be held at Montgomery on the 17th, 18th, 19th and 20th days of November next.

☞ At Louisville, coal is selling at from 12 to 14 cents a bushel.

☞ At the late fire in Chicago twenty-two lives were lost.

☞ In consequence of hard times the Chicago papers talk of reducing their pages by one column during the winter.

☞ The Governor of Iowa has issued a proclamation announcing the removal of the capital of that State to Des Moines City.

☞ The Governors of Maine and Mississippi have appointed the 19 h of November as a day of thanksgiving; and the Governors of New York, Pennsylvania, Massachusetts and Iowa the 26th of the same month.

☞ The New York *Independent* publishes a list of last week's failures. They stand as follows: New York, 30; Philadelphia, 18; Boston, 16; New Orleans, 6; St. Louis, 3; Buffalo, 3; Milwaukie, 2; Cincinnati, 1.

☞ At Cincinnati, on Thursday night last, a thief, with a carriage, equirted chloroform into the face of a Mr. Powell, who fell insensible and was robbed of a gold watch and $463 in money.

☞ At Port Jervis, N. Y., J. B. Andrews, a conductor on the New York and Erie road, was shot, on Monday last, by a Mr. Wood, the wife of another conductor. He had falsely boasted of improper intimacy with her.

REPORT OF THE BANK OF TENNESSEE.

To the General Assembly of the State of Tennessee:

In compliance with the provisions of the charter of the Bank of Tennessee, the President and Directors make the following report of its condition on the 1st July last, it being the close of the fiscal year. The reports for the quarter ending the 30th September have not yet been received from the Branches, but may be expected by the middle of the month.

The table marked A shows the condition of the bank and branches on the 1st of July last, being the annual published statement of the Cashier.

The table B shows the loans and discounts, the specie and the circulation of the bank and branches from the 1st July, 1853, to the 1st July, 1857.

The table C exhibits the nett profits of the bank from its origin until the 1st July 1857.

The table D shows the amount of exchange furnished by the Bank of Tennessee at Nashville, from the 1st July, 1856, to the 1st July, 1857—which accompany this report, and will enable the General Assembly to form a correct opinion of the operations of the bank since it has been under the control of the present Directors, as well as an exhibition of the nett profits of the bank at the close of each year since its organization.

The capital stock of the bank amounted on the first day last at the Principal Bank to	$1,866,933 43
" " " " " Branches, to	1,494,294 01
	$3,361,231 44
This sum includes the stock of the Union and Planters' Bank, amounting to the sum of	937,294 00
Paid into the School Fund	278,218 48
Also the School Fund	350,764 24
" " Common School	4,714 68
" " U. S. Public Land Fund	49,651 28
" " Common School	229,708 00
" " Sixteen Sections" Bank	22,000 00
" " Union Bank	88,884 00
	$1,567,797 56

DEBTS DUE THE BANK.

Table A shows the debts due the bank from banks and other corporations, and does not include debts due from other banks, which are treated on the footing of a debt to the bottom of the State, purchased by the bank, amounting on the 1st July last to the sum of $542,722 33 which, if treated as deposits, would make their of the 1st July, 1847, exceed those of the 1st January, 1856. It is confidently believed that nearly the whole of the debts will be made available.

THE DEPOSITS.

On the 1st July 1857 amounted to $908,827 17
" " " 1856 " 1,100,033 56
" " " 1857 " 1,000,000 00

Exhibiting on the part of the citizens increased confidence in the institution, which will not be less gratifying to the General Assembly than to the Board of Directors.

NOTES IN CIRCULATION

Should vary in amount each year as the productions and business of the country require, and should be, with its present means and credit, at least double what it is, but its operation of the other banks in the collection of their notes for exchange has prevented it from keeping in circulation such a amount of its notes as it means would seem to justify—the amount of circulation for the last four years is shown in table B.

THE CASH ON HAND

is also exhibited in table B for the last four years, and reference is made to the Cashier's report for the months on hand in table A.

THE REAL ESTATE AND OTHER PROPERTY

Amounted, on 1st July last, to $232,948 88, the sum which it actually cost the bank—all of it, except the banking houses, having been taken to secure doubtful debts; the price at which it was taken was probably high, yet the recent increase in the price of real estate renders it probable that the bank will sustain no loss. The Directory spares no effort to sell all its real estate, except the banking houses occupied by the bank and branches. There is believed to be no other property belonging to the bank, except the necessary furniture in the offices, of which no report has been required of the branches, except their report of current expenses.

The balance of the suspended debt reported to the Legislature in December, 1853, amounted under the control of the principal bank, is still in the hands of its agents and attorneys—considerable sums have been compromised and secured by new notes upon time being given, also collections have been made, both of which are directed to be deposited with the branches to which they belonged, and there have been no reports from all the branches specifying the precise amount collected or compromised so as to enable the Board to state the exact amount of either; other portions of the debt are still in the course, mostly in chancery, to set aside conveyances believed to be fraudulent. It is confidently believed that the loss of the bank from those suspended debts which include all the losses of the bank, from its origin to December, 1854, will fall short of half a million of dollars; a result much more favorable than might have been expected from its organization.

In pursuance of the act of 1854, the President and Directors caused to be burned in the presence of the Governor and Controller, on the 12th of June, 1856, and the 31 April, 1857, the defaced notes which were considered unfit for circulation, as shown in the following statement:

At Nashville	26,207
Columbia	24,363
Clarksville	23,449
Shelbyville	50,745
Sparta	24,703
Somerville	31,549
Trenton	16,056
Athens	36,831
Gallatin	207,201
Amount burned in former report	728,904
	1,417,929
Whole amount burned	2,146,833

The stocks in the Union and Planters' Banks transferred to the Bank at the last session of the General Assembly with authority to sell, have not been disposed of—no such authority has been offered at the opinion of the Board would justify a sale of them. The stocks are deemed of too much value to justify any sacrifice whatever. The five per cent. bonds of the State falling due early next year are expected to be paid by the Bank from its other resources.

The Bank has furnished, during the past two years, exchange on the principal cities of the union as follows, furnished on New York and Philadelphia, ... $1,932,000
To the Union Bank 1,420,000
To the Planters' Bank 1,000,000

It is the duty of the President and Directors of the Bank of Tennessee to make such recommendations to the General Assembly, for the amendment of its charter and the laws by which it is conducted as in their judgment may be deemed necessary to promote the interests of the institution.

In their last report, an opinion was expressed in opposition to the policy adopted by the State in the establishment of the Bank or becoming a partner with a number of its citizens in corporations of any kind for the purpose of making money—thus unwisely exciting a competition between the State and its citizens in business, or giving unjust advantages to its partners over other citizens.

The establishment of the Bank of Tennessee, after the investment of such large sums in the Union and Planters' Banks, seemed an injudicious application of the public monies to the erection of a rival institution to those in which the State was so much interested and which could but result to the injury of both.

The Board therefore recommended that the Bank of Tennessee be set in liquidation, and the application of its funds to the payment of the debts of the State; the time seemed favorable for its accomplishment; the Bank had never been in a better condition; its circulation less than for many previous years; the condition of the country prosperous, the staple productions unusually large, prices good, and new banks going into operation daily.

It was confidently expected that the currency thus withdrawn would be supplied by the issues of the new banks and thus afford the means of paying its debts without embarrassment to the citizens, that the means of the bank thus supplied would go far toward the extinguishment of the State debt and leave the people free from taxation except for the support of the State.

The General Assembly took a different view of the subject. Instead of placing the Bank in liquidation as suggested, the stock in the Union and Planters' Banks was transferred to it, and it was authorized to sell and after the payment of the five per cent. bonds of the State falling due next year, the proceeds to be applied to the increase of its capital stock. The salaries of the officers of the Bank and Branches (except of the President) were increased, under the expectation of being able to secure the services of better and more experienced officers and make them more active and vigilant in the performance of their duties; thereby rendering the Bank itself more efficient and useful, at the same time largely increasing the debt and liabilities of the State to aid the system of internal improvements.

The President and Directors still entertain the opinion communicated to the General Assembly in their former report and do not doubt that the true interests of the State hereafter will be best promoted by a dissolution of all connection with banks or Internal Improvement companies, at as early a period as the finances of the State will admit it, without unnecessarily oppressing the people and with a due regard to the public faith pledged to them.

What influence, the course adopted by the last General Assembly should have upon the decision of that question at the present time, is one of vital interest to the people of the State.

The increase of the debt of the State and other liabilities, the multiplication of the banks, and the present derangement of the currency, give it an importance now, that it did not then possess. At this time the debt exceeds four millions of dollars and its liabilities assumed for Internal Improvement companies by endorsing their Bonds already issued amounting to eight or nine millions and the Internal Improvement laws now in force will authorize the issuance of eight or ten more, and will probably be issued in a few years unless arrested by the General Assembly, thus leaving the debts and liabilities of the State near twenty millions of dollars. The increase in the number of banks instead of enlarging the circulation of the State and affording the means for the payment of the debts due the bank of the State as expected at that time, has in truth diminished it and substituted an inferior paper currency for the better one that existed before; the increased liabilities and the irregularity in the paper circulation of the State, cannot but enhance the difficulty in the collection of the debts due the bank as well as the public revenues and their application to the payment of the liabilities of the State. The interest on the debts of the State as well as that on the Bonds of the Internal Improvement companies will have to be paid semi-annually, most in New York. Should any of the companies fail to provide their interest as required by law—that, together with their own debts may throw a responsibility on the treasury that may not be readily met without the aid of some such institution as the Bank of Tennessee.

However unwise and injudicious, the assumption of such liabilities and the increase of banks, may now be considered, the honor and credit of the State will demand ample provision to be made to meet demands against the Treasury.

While the President and Directors recommend the dissolution of all connection with Banks and Internal Improvement companies as the true principle upon which our State Government should be conducted, they cannot close their eyes to the existing state of things which surround them. Whilst such a number of banks exist, and such heavy liabilities of the State are to be met, and such a derangement of its currency, the aid of some banking institution to sustain the credit of the State seems almost indispensable.

These evils brought on the State by injudicious legislation, are generally believed to be beyond the control of the General Assembly at the present time; as vested rights are claimed for the corporations and unquestioned liability on the bonds issued or endorsed by the State—the closing of the business of the Bank of Tennessee should under such circumstances should be gradual, so as not to leave the people at the mercy of the stockholders of the Bank for currency. Without the currency of the Bank of Tennessee during the past summer, the business of the country would have been prostrated, the arm of industry paralyzed, and the debtors subjected to the tender mercies of the brokers and shavers—until the State could some way get rid of the heavy liabilities unwisely imposed upon it as well as many the bank charters so inconsiderately granted, it would not seem to be safe to dispense of the Bank of Tennessee, and leave the people exposed to the contractions and expansions in the currency by the stockholders of the other banks.

In the opinion of the Board of Directors, if such amendments shall be made to the charter as will place the Bank upon a footing of equality with the stock banks of the State; with its present means and credit, it would afford as much aid to the public, it would afford as much aid to the treasury and be as useful to the citizens as any other mode that could be adopted. Its profits would do much to relieve the people from taxation, in the event of a pressure on the treasury. Its business connections with other sections and its credit would enable it in any emergency with promptness and certainty, to sustain the credit of the State, and meet the wishes of the General Assembly.

The provisions of the charter that require amendment are but few, and have often been urged upon the General Assembly by those who preceded the present board and by them in their last report.

One of the principal objects in chartering the bank beside those specified in the title of the act, was the relief of the people from the pressure prevailing in the money market at the time. Hence provision was made that one-half of its capital might be employed in the usual and most profitable business of banking, that of buying bills and selling exchange, whilst the other half should be loaned to the citizens of the different counties in proportion to the number of voters in each—a division of the capital among the branches was made upon similar principles—thus constituting it half bank and half loan office. Such an organization for such purposes led to the adoption of correspondent rules for its government. The principal bank was prohibited from vitiating the resources of its branches any portion of their capital), their precious metals or exchange for any purpose whatever—except their semi-annual dividends. The authority of the principal bank controlled mainly in the annual selection of their officers and in the preparation of currency for circulation.

Such an organization, with the frequent change of its officers as one or the other political parties prevailed in the elections, could not lead to serious and heavy losses. In the reports made to the Legislature in December, 1855, the suspended debt exceeded seven hundred thousand dollars, near one-third of its capital which induced the Legislature in their act of 1854, to place that debt under the control of the principal bank. The examination since made into the condition of the branches, show that the principal losses arose from that feature of the charter requiring loans to be made to the different counties in proportion to their voters.

It seems strange that a doubt should exist in the mind of any one of the necessity and importance of placing the management of such an institution under some controlling power, to secure unity and harmony of action, which are so essential to the maintenance of its credit—to its success in business—to its protection and and defense when assailed, and for the honor of the State to which it belongs.

As this change has often been recommended by those who preceded the present board, it is deemed not out of place to specify some of the evils growing out of the want of power to control them.

If demand be made at the counter of one of its. Branches upon i's own notes for payment and the Cashier refuses, with ample means in the vault of the Bank and his conduct be sustained by the Board of Directors, thus discriminating the Branch and inflicting upon the other Branches as well as the principal Bank the most serious injury; ought not power to rest somewhere to remedy such an evil?

If the principal Bank is ahead of the employment of unsafe agents and large sums of money left in their hands for months, though urged to have the agent removed and the money placed in the Branch, and refused until heavy losses are sustained; should there be no remedy but a suit at law for the recovery of the money?

If the Bank discovers large sums of money remaining for months in the hands of agents of the Branches, yielding no profit, not even interest, when thousands of dollars could be made by a judicious investment of it, ought there not to be a power somewhere to order the investment and thus secure the profits?

In periods of pressure in the money market, which often occur, when the collection of its debts becomes necessary to preserve the credit of the institution, ought any of the branches to be permitted to continue their discounts and refuse the collection of their debts? thus throwing upon the principal bank and the other branches the necessity of protecting its credit as well as their own.

In the earlier stages of the bank, combinations were discovered by which large accommodations were given to a few favorites; sometimes for the use of Directors, in violation of law; and occasionally to promote internal improvements, or build up factories for the advancement of local or private interests; ought there not to be a power somewhere to arrest such evils?

Such evils have repeatedly occurred, and for want of a proper supervision of the branches thousands of dollars have been lost to the State.

It affords the Directors pleasure to say that for a few years past, the Branches have generally co-operated with the principal Bank in the policy adopted by it, and conducted their business with energy and zeal, thereby securing largely increased profits to the Bank—yet such a control over the Branches as may secure harmony and co-operation in their movements is deemed all important for the successful management of the institution; and becomes more so, as the number of banks increases.

The interest of the bank will be greatly promoted, whether the suggested amendments to the charter be adopted or not, by such a change in the laws, as will secure punctuality and promptness in the payment of its debts, or a more speedy and less expensive mode of collection. There does not seem to be any good reason for subjecting the State to the expense and delay of a regular suit at law, for the recovery of money loaned a citizen from the treasury by sworn officers, having no interest in the transaction. If the collectors of other dues to the State, after assessment and tax lists are placed in their hands, were compelled to sue delinquent debtors, some twenty-five or thirty per cent. perhaps more could not be collected in time to meet the demands of the State. Why should there be such a difference made in the mode of collecting the debts due the State? A certificate from the officers of the bank, sworn to if necessary, stating the parties, the loan and the defalcation, might authorize the courts to render a judgment and issue execution for the collection, as done every day in behalf of individuals by the Courts of Chancery—property is sold by the court upon credit—notes taken payable at a future day—if not paid, an execution is ordered by the court on the notes, without notice to the debtor and the money collected—such a remedy would not only benefit the bank by securing punctuality in the payment of its debts and thereby to enlarge its business, but generally that of the debtor also, by avoiding the heavy expenses and damages too often thoughtlessly incurred for the mere purpose of delay. Should any advantage at any time be obtained by the officers of the bank over the citizen, a certain remedy would be found in our courts.

The officers of the bank and branches are generally citizens too little acquainted with the nice distinctions and technicalities of the law merchant, whilst the contracts made by them are subjected to its most rigid rules, and thousands of dollars annually lost by some irregularity in the allowance of days of grace, demand, protest, or notice. Contracts for the payment of money should fall due on the day specified in the face of the paper, and the makers of such contracts, the sureties and endorsers, whether signing on the face of the paper or its back, should be holden liable for the debt until paid, without demand, protest, or notice of non-payment. It is, or ought to be made the business of those signing obligations to the bank, to take notice of the place and time of payment according to the terms of the contract. Nor does there seem any good reason why the rigid and indefinite rules, the technicalities, or rather subterfuges of the law merchant should be applicable to or enforced in an agricultural country like Tennessee. The collection of debts should be enforced by our courts according to the plain and honest meaning of the contract as expressed by the parties, and there should be left in the law no means of escape by artifice or trick from the performance of that duty.

If such modifications of the charter and amendments of the laws as will secure more punctuality in the collection of its debts should be made, and such additional aid given as the finances of the State may from time to time admit, the business of the bank might be doubled, with a corresponding increase of its profits, and its usefulness to the citizens and aid of the treasury be greatly promoted.

If the General Assembly shall determine to continue its connection with the bank, such amendments should be made to its charter and laws as will render it more efficient and useful, and there seems to be no good reason, if this connection is to be kept up, why the bank should not eventually do the whole banking business of the State, and the entire profits arising from it be paid into the public treasury.

The bank thus assured of the co-operation of its branches, and the ability to enforce punctuality in the payment of its debts, would be enabled not only to enlarge its business, but, under the direction of the General Assembly, in a great degree to control the currency of the State, whether composed of the precious metals, paper currency, or both.

The value of property, the price of labor and products, depend much upon the quantity as well as the quality of the circulating medium, as to require the special care and supervision of the Legislature. Experience proves that it is not wise or prudent to trust its management longer to the stockholders of the banks, whether foreign or domestic. If left under their control we must expect periodical expansions and contractions as may best suit their interests, at one time enlarging the circulation so rapidly, and affording such facilities for getting money, as to induce even prudent men to engage extensively in hazardous trade and speculations at another refusing all accommodations, rigidly collecting their debts, and withdrawing their circulation so as materially to interfere with the business of the country, depress prices and lead to the ruin of thousands, who would have sustained themselves but for the change thus produced in the business of the country—thus enabling the shrewd money dealer or stock-jobber to make his profits as the expansion gradually progresses, and to double his speculations when the contraction takes place. In either aspect of the case, the speculator is benefited and the people are the victims.

No stronger illustration of the evils of the present system can be found than the experience of our own citizens during the past year. Tennessee has been peculiarly favored with the best of seasons, abundant crops and the highest prices, and her citizens enjoying a wealth and independence scarcely known in any other country, and yet in the midst of their comfort and abundance, the scarcity of money is the cause of constant complaint and of serious alarm to many of them.

This can be attributed to no other cause than that the circulating medium of the State is composed mainly of paper money, and under the control, in a great degree, of the stockholders of the banks, it is confidently believed that within a few months past, near four millions of the paper money of the banks, which was circulating, has been withdrawn which has produced a great reduction of their discounts. Nothing less than a severe pressure in the money market could follow such a change. Such fluctuations in the money market can be made at any time by the Directors and officers of the Banks, whenever it suits their interest or caprice. No censure is designed to be cast on the managers of the banks—they have no doubt acted in good faith for the benefit of their stockholders and their forced contractions may have required the present contractions for the safety of their respective banks; yet it proves that the control of the currency of the State, whilst composed chiefly of paper, should be under the control of the Legislature, and some means adopted to prevent such irregularity in future.

It has been the constant effort of the Board of Directors to avoid such an increase of its circulation as would encourage improvident and heedless speculation in the products of the country by its customers, and have not therefore been compelled, notwithstanding the pressure upon it by the other banks, to curtail as materially as others have done of it, though there not to be a power somewhere to order the investment and thus secure the profits?

In periods of pressure in the money market, which often occur, when the collection of its debts becomes necessary to preserve the credit of the institution, ought any of the branches to be permitted to continue their discounts and refuse the collection of their debts? thus throwing upon the principal bank and the other branches the necessity of protecting its credit as well as their own.

In the earlier stages of the bank, combinations were discovered by which large accommodations were given to a few favorites; sometimes for the use of Directors, in violation of law; and occasionally to promote internal improvements, or build up factories for the advancement of local or private interests; ought there not to be a power somewhere to arrest such evils?

Such evils have repeatedly occurred, and for want of a proper supervision of the branches thousands of dollars have been lost to the State.

It affords the Directors pleasure to say that for a few years past, the Branches have generally co-operated with the principal Bank in the policy adopted by it, and conducted their business with energy and zeal, thereby securing largely increased profits to the Bank—yet such a control over the Branches as may secure harmony and co-operation in their movements is deemed all important for the successful management of the institution; and becomes more so, as the number of banks increases.

The interest of the bank will be greatly promoted, whether the suggested amendments to the charter be adopted or not, by such a change in the laws, as will secure punctuality and promptness in the payment of its debts, or a more speedy and less expensive mode of collection. There does not seem to be any good reason for subjecting the State to the expense and delay of a regular suit at law, for the recovery of money loaned a citizen from the treasury by sworn officers, having no interest in the transaction. If the collectors of other dues to the State, after assessment and tax lists are placed in their hands, were compelled to sue delinquent debtors, some twenty-five or thirty per cent. perhaps more could not be collected in time to meet the demands of the State. Why should there be such a difference made in the mode of collecting the debts due the State? A certificate from the officers of the bank, sworn to if necessary, stating the parties, the loan and the defalcation, might authorize the courts to render a judgment and issue execution for the collection, as done every day in behalf of individuals by the Courts of Chancery—property is sold by the court upon credit—notes taken payable at a future day—if not paid, an execution is ordered by the court on the notes, without notice to the debtor and the money collected—such a remedy would not only benefit the bank by securing punctuality in the payment of its debts and thereby to enlarge its business, but generally that of the debtor also, by avoiding the heavy expenses and damages too often thoughtlessly incurred for the mere purpose of delay. Should any advantage at any time be obtained by the officers of the bank over the citizen, a certain remedy would be found in our courts.

The officers of the bank and branches are generally citizens too little acquainted with the nice distinctions and technicalities of the law merchant, whilst the contracts made by them are subjected to its most rigid rules, and thousands of dollars annually lost by some irregularity in the allowance of days of grace, demand, protest, or notice. Contracts for the payment of money should fall due on the day specified in the face of the paper, and the makers of such contracts, the sureties and endorsers, whether signing on the face of the paper or its back, should be holden liable for the debt until paid, without demand, protest, or notice of non-payment. It is, or ought to be made the business of those signing obligations to the bank, to take notice of the place and time of payment according to the terms of the contract. Nor does there seem any good reason why the rigid and indefinite rules, the technicalities, or rather subterfuges of the law merchant should be applicable to or enforced in an agricultural country like Tennessee. The collection of debts should be enforced by our courts according to the plain and honest meaning of the contract as expressed by the parties, and there should be left in the law no means of escape by artifice or trick from the performance of that duty.

If such modifications of the charter and amendments of the laws as will secure more punctuality in the collection of its debts should be made, and such additional aid given as the finances of the State may from time to time admit, the business of the bank might be doubled, with a corresponding increase of its profits, and its usefulness to the citizens and aid of the treasury be greatly promoted.

If the General Assembly shall determine to continue its connection with the bank, such amendments should be made to its charter and laws as will render it more efficient and useful, and there seems to be no good reason, if this connection is to be kept up, why the bank should not eventually do the whole banking business of the State, and the entire profits arising from it be paid into the public treasury.

The bank thus assured of the co-operation of its branches, and the ability to enforce punctuality in the payment of its debts, would be enabled not only to enlarge its business, but, under the direction of the General Assembly, in a great degree to control the currency of the State, whether composed of the precious metals, paper currency, or both.

The value of property, the price of labor and products, depend much upon the quantity as well as the quality of the circulating medium, as to require the special care and supervision of the Legislature. Experience proves that it is not wise or prudent to trust its management longer to the stockholders of the banks, whether foreign or domestic. If left under their control we must expect periodical expansions and contractions as may best suit their interests, at one time enlarging the circulation so rapidly, and affording such facilities for getting money, as to induce even prudent men to engage extensively in hazardous trade and speculations at another refusing all accommodations, rigidly collecting their debts, and withdrawing their circulation so as materially to interfere with the business of the country, depress prices and lead to the ruin of

☞ An old woman, down town, having been told that the issues of the banks of Kentucky exceeded nine millions, said that they must all be Magnolias.

☞ The Postmaster General has made an order that all Postmasters whose compensation exceeds twelve dollars and fifty cents per quarter shall be supplied with wrapping paper, twine and sealing wax for the use of their offices by the Post Office Department, and the rule adopted March 12, 1855, has been repealed. All Postmasters whose compensation is less than twelve dollars and fifty cents per quarter can purchase for the use of their office, a reasonable amount of these articles, provided the net proceeds is not less than twenty dollars per year.

GERRIT SMITH'S NEGRO FARMERS.—A few years ago the Hon. Gerrit Smith gave small tracts of land in Essex and Franklin counties, N. Y. in severalty, to about 3,000 negroes, hoping to induce them to engage them in farming, and so provide for the support of themselves and their families. In a recent letter to the *Tribune*, he states the result thus far as follows:

"Of the three thousand colored men to whom I gave land, probably less than fifty have taken and continue to hold possession of their grants. Want is worse, half of the three thousand, as I judge, have either sold their land, or been so careless as to allow it to be sold for taxes."

A similar experiment, but from a far different and sure philanthropic motive, was made some years by one of the most pious men in the South. It is almost unnecessary to say that it had a like disastrous result. The truth is the negro needs a master, and cannot get along without one.

To comment upon this odious distinction is entirely unnecessary. Banks have special privileges granted to them, and exist to pay more taxes than those who have not these special privileges. We call for the repeal of the tax, by Congress, on bank-paper issues. Let it be from the first so high as to prohibit all notes from circulation of a less denomination than twenty dollars. Gradually it could be increased upon the large bills, until the true constitutional currency of gold and silver was restored. It was never intended by the framers of the Constitution that there should be any other money than gold and silver. They were harmonyous men. They had seen the evils of the paper issues of the old Continental Congress in the days of the Revolution. The depreciation in value of those notes was so great that it taxed thousands, and brought financial ruin and distress upon the country.—They insert a provision in our present Constitution making nothing but coin legal tender for debts, and they forbid States from issuing bills of credit. This they intended should accomplish the purpose. But the States have evaded it, and have delegated to individuals the power to issue what they had no right to do themselves. The violation of the Constitution, in the issue of notes, has so long been practiced and has become so interwoven with the habits of the country, that the Courts, in view of the immense consequences, have shunned a decision on the point and allowed the circulation to continue.

Let Congress reform what the Courts have omitted to do. The next Congress will be Democratic. We hope to see it, before it adjourns, impose the tax upon banks, and take off the tax from salt. The tax on bank bills should be graduated; the smaller the denomination the heavier should the tax be. None but large bills would then be issued by the banks, and large bills are more in the character of bills of of exchange than a currency. By driving all bills under twenty or fifty dollars from circulation, the channels of trade and the common money transactions of every-day life will be filled with lothing but gold and silver. The Congress which restores to the people a sound metallic currency and drives from general circulation the trash of paper-money will render a greater service than any which has met since the Constitution was formed, and will gain an immortal fame for itself in the archives of the future. Thecountry is ripe for it. Its measures could be brought to meet with a more hearty approval from the Democratic masses. The ball for the Constitutional currency ought to be immediately set in motion.

☞ The movements of specie appear to be interesting to the public at this time. The Mobile *Daily Mercury*, of the 22d inst., states that "the steamer Cahaba sailed yesterday for New York with $50,000 in gold, $30,000 for the Bank of Mobile and $20,000 for the Southern Bank of Alabama."

TERRIBLE ACCIDENT.—We hear from Jefferson City, that Mr. Sevier, one of the clerks of the House, met with a terrible accident on Friday night. He had been to the Governor's party, and was returning to his room at the Capitol, when, by some strange mistake, he passed to the northside of the Capitol, and walked off the perpendicular bluff—a distance of some sixty feet. He was found Saturday morning in an insensible condition—one of his arms broken in two places, and one of his legs greatly injured. He was not expected to recover.—*St. Louis Republican.*

THE SLAVE TRADE.—The New York *Times* seems to think well of the project broached in one of the Liverpool journals, to make slaves of the rebellious sepoys, and send them to the West India colonies. Then, after all, the foreign commerce of the King of Dahomey is not so reprehensible as it has been represented. He makes captives in war, and not having any colonies where he can work them to advantage, he sells them to those who have. England is just now in the way of taking captives, and of selling them for a pretty penny for want of workmen. The Queen is, therefore, advised to take a leaf out of her royal brother of Dahomey's books, and thus make one hand wash the other—make a war in the East Indies pay for itself by an improved revenue in the West Indies.

THE "HERO OF INDIA."—Brigadier General Havelock, which recent feats in India have made his name familiar to our readers, was born near Sunderland, in England, in 1795, and consequently sixty-two years of age. He studied for the bar, but by the advice of a brother, and through his interest, he obtained a commission as lieutenant, soon after the battle of Waterloo. In 1823, he went to India, where he first saw active service. In 1827 he published a history of the Ava Campaigns. In 1838, after having served twenty-three years as a subaltern, he was appointed major, by purchase, for services in battle. He remained in India till 1840, being in active duty all the time, and then returned to England, after an absence of twenty-five years. In 1851 he went back to India. He went with the army to Persia, and on the way back was wrecked off at the coast of Ceylon. Upon his arrival at Calcutta he was at once appointed to the command of the army with which he attacked and defeated Nana Sahib. In all his service in India, a period of over thirty years, he has never been wounded. His brother, Col. William Havelock, was killed in a battle with the Sikhs, in 1845.

THE CONSTITUTION OF OREGON.—The Constitution likely, according to the last accounts, to be adopted by the Oregon convention, contains some remarkable provisions. It does away, says the *Journal of Commerce*, with grand juries, as unnecessary—the preliminary examination before a Magistrate previous to committal being deemed sufficient. It provides that there shall be no Lieutenant Governor; that the Secretary of State shall exercise the functions of Governor *pro tem.* in case of the death of that functionary; and that the Governor shall also be Treasurer of the State. The number of members of the State Senate is limited to fifteen, and that of the assembly to thirty, with biennial sessions. The ballot is abolished at elections, and viva voce voting substituted. Judges are declared ineligible for any office not judicial during the period for which they are elected, and for one year after; municipalities are absolutely prohibited from contracting debts; and bank charters of every description are forbidden. With regard to the question of slavery, it is believed that two clauses—one legalizing and the other prohibiting slavery—will be appended to the draught of the Constitution, to be adopted or rejected by a subsequent vote of the people.

Special Notices.

Holloway's Ointment,
(UNLIKE those outward applications which relieve pain for the moment by paralyzing the nervous organs (skin of the skin,) pierces through the abscesses to the seat of infection, and then extinguishes the fire which feeds the eruption, boil, or ulcer from which the pat lent suffers.
Sold at the manufactory, No. 80 Maiden Lane, New York, and by all druggists, at 25c., 63c., and $1 per box or pot. oct28-6atw1w

CANDEE, MIX & CO.
WILL receive North and South Carolina, Geor